

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

NOTICE TO INTERESTED PARTIES

The California Department of Social Services (CDSS) is required by federal law to submit Appendix H-Caseload Reduction Report (ACF-202 form) to the Administration for Children and Families. This report is for Federal Fiscal Year 2004, for the Temporary Assistance to Needy Families program and must be submitted by December 31, 2003.

Notice is hereby given that a copy of California's Caseload Reduction report is available on the CDSS website (www.dss.cahwnet.gov) or upon request from the office below.

Comments relating to California's Caseload Reduction report may be submitted in writing or telefax to the address/number listed below. All comments must be received no later than 5:00 p.m. on December 15, 2003.

CONTACT

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ACF-202 TANF Caseload Reduction Report

State of California			Fiscal Year 2004
PART 1 - Implementation of All Eligibility Changes Made by the State Since FFY 1995			
	Eligibility Change	Implementation Date	Estimated Impact on Caseload Since Change
<u>Changes Required by Federal Law</u>			
1	Federal 24 Month Work Participation Requirement	August 22, 1996	The estimated impact is zero. See methodology, pg 6
2	Federal requirement that teen parents must live in adult-supervised settings to receive assistance	August 22, 1996	There is no impact on the caseload. Previously enacted state law conforms to the federal requirements.
3	Denial of Aid for 10-Years to individuals fraudulently misrepresenting residency to more than one state	August 22, 1996	The estimated impact is zero. California has no reported cases as verified by the Office of Administrative Law Judges. In addition, California counties routinely check with other states for aid status of applicants.
4	Fugitive Felons/Probation Violators/Parole Violators/Drug Felons	August 22, 1996	The estimated impact is -3 . See methodology, pg 6
5	Federally Ineligible Aliens (Pure Cases)	August 22, 1996	The estimated impact is zero. California continues to aid this population with Maintenance of Effort funds.

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	Eligibility Change	Implementation Date	Estimated Impact on Caseload Since Change
<u>State-Implemented Changes</u>			
Changes Related to Income and Resources			
1	Food Stamp and CalWORKs new vehicle valuation rule	June 1, 2001	+ 2,666
2	Income Disregards and MAP COLA	January 1, 1998	+ 24,232
3	Modification of Senior Parent Deeming	January 1, 1998	+ 0
Changes Related to Categorical or Demographic Eligibility Factors			
1	Tribal TANF	October 1, 1998	- 387

ACF-202 TANF Caseload Reduction Report

State of California			Fiscal Year 2004
PART 1 - Implementation of All Eligibility Changes Made by the State Since FFY 1995			
	Eligibility Change	Implementation Date	Estimated Impact on Caseload Since Change (positive or negative impact)
Changes Due to Full-Family Sanctions			
	None	N/A	N/A
Other Eligibility Changes			
1	Deprivation: Elimination of Connection to the Work Force Requirement for Two-Parent Families	January 1, 1998	Impact 2-Parent cases only. Resulted in an increase to the caseload. However, California currently does not collect the data needed to determine the increase in caseload caused by this policy.
Estimated Total Net Impact on the Caseload of All Eligibility Changes			26,508
Total Prior Year Caseload			497,559
Estimated Caseload Reduction Credit			45.9%

ACF-202 TANF Caseload Reduction Report

State of California			Fiscal Year 2004			
PART II - Application Denials and Case Closures, by Reason						
			Fiscal year 1995		Fiscal year 2003	
Reason for Application Denials			Number	Percent	Number	Percent
1)	No eligible Child		1,532	11.4	1,550	10.2
2)	Not deprived of support or care		1,540	11.4	943	6.2
3)	Resources exceeds limits		983	7.3	567	3.7
4)	Income exceeds standards		1,926	14.3	3,333	21.9
5)	Failure to comply with procedural requirements		7,004	52.0	6,714	44.1
6)	Failure to comply with program requirements		145	1.1		0.0
7)	Ineligible non-citizen		105	0.8	69	0.5
8)	Excluded by law for reason other than time limits and citizenship		0	0.0	1,821	12.0
9)	Nonresident		237	1.8	138	0.9
11)	Denial due to expiration of CalWORKs 60 month time limit		0	0.0	92	0.6
Total Application Denials			13,472	100.0	15,227	100.0
State of California			Fiscal Year 2004			

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PART II - Application Denials and Case Closures, by Reason					
		Fiscal year 1995		Fiscal year 2003	
Reason for Case Closures		Number	Percent	Number	Percent
1)	No eligible Child	4,980	11.6	7,886	17.2
2)	Not deprived of support or care	430	1.0	169	0.4
3)	Resources exceeds limits	680	1.6	230	0.5
4)	Income exceeds standards: (Sum of 4a through 4e)	6,673	15.6	5,168	11.3
	a. Earnings increased	3,276	7.6	2,112	4.6
	b. Benefits or pension increased	935	2.2	577	1.3
	c. Support from person inside home increased	494	1.2	2,037	4.5
	d. Support from person outside home increased	57	0.1	28	0.1
	e. Requirements reduced	1,911	4.5	414	0.9
5)	Moved and cannot locate	2,911	6.8	1,545	3.4
6)	Recipient initiated	27,166	63.3	6,835	14.9
7)	Failure to comply with program requirement	43	0.1	23,336	51.0
8)	Excluded by law for reasons other than time limits and citizenship	23	0.1	566	1.2
9)	Discontinued due to expiration of CalWORKs 60-month time limit	0	0.0	0	0.0
Total Case Closures		42,906	100.0	45,735	100.0

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State of California

Fiscal Year 2004

Part III - Description of the Methodology Used to Calculate the Caseload Reduction Estimates (attach supporting data to this form)

California's caseload reduction credit for All-Families in federal fiscal year (FFY) 2004 is estimated to be **45.9** percent. This figure was derived by subtracting the prior year, FFY 2003, caseload total of **497,559** from the base year (FFY) 95 total of 919,471. The resulting difference of **421,912** was divided by the base year figure of 919,471 to obtain the **45.9** percent caseload reduction credit (See Attachment F). In addition, California is reporting the federally mandated eligibility changes and the state implemented changes that affect caseload. The estimated net impact of all the state and federally mandated changes on caseload totaled **+26,508**. The following information explains the methodology and the effects of these adjustments on the caseload.

Changes Required by Federal Law

- 1) **Federal 24-Month Work Participation Requirement:** California sanctions only the adult rather than the full family. Therefore, only a case with an aided adult and no aided child can be terminated for a welfare to work sanction. In California, the two reasons for an adult only case are an aided caretaker with a disabled SSI child or a pregnant woman with no other eligible children. In California, an aided adult caring for a disabled child is exempt and an exemption can also be provided for temporary disability due to pregnancy. Therefore, we believe the estimated impact is zero.
- 2) **Federal requirement that teen parents must live in an adult supervised setting to receive assistance:** There is no estimated impact on the caseload. Previously enacted state law conforms to the federal requirement.
- 3) **Denial of aid for 10 years to individuals fraudulently misrepresenting residency to more than one state:** In order to be disqualified in this category, the case must be reviewed by the Office of Administrative Law Judges (A.L.J.). California has no reported cases as verified by the A.L.J. Office. In addition California counties routinely check with other states for aid status of applicants. The estimated impact is zero.
- 4) **Fugitive Felons/Probation Violators/Parole Violators/Drug Felons:** Individuals in this category are ineligible for aid. The State of California continues to provide aid to the eligible family members of the excluded person. Based on FFY **2003** caseload data, we determined that **-3** percent of all CalWORKs cases have no aided child in the AU (e.g. SSI child, pregnant mother). To determine the number of cases terminated due to drug/fleeing felon status, we multiplied the monthly sum of cases with an excluded adult by the **0.57** percent ratio of cases with no aided child. It is estimated that there is an average **-3** caseload reduction per month by excluding these individuals. (See attachment A)
- 5) **Federally Ineligible Non-Citizens:** California continues to provide cash aid to federally ineligible, legal non-citizens. California does not aid undocumented, or illegal, non-citizens. The estimate impact is zero.

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State of California

Fiscal Year 2004

State-Implemented Changes

Changes Related to Income and Resources

- 1) **Federal Food Stamp and California Work Opportunity and Responsibility To Kids (CalWorks) program vehicle valuation rules:** This policy may result in exemption of a motor vehicle from resource limits for CalWorks recipients. Data from the California Work Opportunity and Responsibility To Kids (CalWorks) report on Reasons for Denial and Other Non-Approvals of Applications for Cash Grant (CA255) and the CalWorks Cash Grant Caseload Movement and Expenditures Report (CA237) was used to determine the estimated effect on the caseload as a result of the vehicle valuation rules. This rule was enacted in June 2001. For the 2002 report we took the 8 month pre-enactment average denial rate and subtracted from it the 4 month post-enactment average denial rate. For the FFY 2004 report we took the 8 month pre-enactment average denial rate and subtracted from it the 12 month FFY 2003 average denial rate. We then appended attrition data from applicants with no prior history of aid to determine the full caseload change. This calculation reflects a **+2,666** case per month increase in the caseload. Based on discussion and agreement with the Department's Estimates Branch, we have assumed a maximum limit of 24 months of eligibility cost for these added cases. (See Attachment B)
- 2) **Income Disregards and MAP COLA:** In January 1998, California implemented the CalWorks program. A centerpiece of this program was a change in the income disregard methodology and establishment of cost of living adjustments (COLA) for the maximum aid payment (MAP). Since January of 1998 California initiated MAP COLAs of 2.84 percent (November 1998), 2.36 percent (July 1999) and 2.96 percent (October 2000). We have included a separate attachment that further explains the impact of these changes. (See Attachments C and D). Utilizing the FFY 2002 CalWorks Characteristics Survey Database, we determined that **+ 24,978** eligible cases would not have been eligible if the prior income disregard and MAP/MBSAC levels had been retained. This represented **4.87** percent of the surveyed caseload. We multiplied this ratio by the FFY 2003 CalWorks caseload of **497,559** to determine stated impact of **+ 24,232** cases. (See Attachments C & D)
- 3) **Modification of Senior Parent Deeming:** In prior reports, we estimated the impact of the Senior Parent Deeming modification in determining the eligibility of the teen parent's child. However, effective October 1, 2002, the modification of Senior Parent Deeming was repealed in California. Therefore, we are no longer estimating an increase to the caseload due to Senior Parent Deeming.

Changes Related to Categorical or Demographic Eligibility Factors

- 1) **Tribal TANF:** The stated impact of **- 387** cases is based on a monthly average of the actual number of cases transferred to Tribal TANF. (See attachment E)

Other Eligibility Changes

- 1) **Deprivation: Elimination of Connection to Labor Force Requirement for Two-Parent Families.** This eligibility requirement resulted in an increase in the two parent caseload however, California currently does not collect the data needed to determine the increase in caseload caused by this policy.
- 2) **Part II Application Denials and Case Closures, by Reason:** This section reflects California's aggregate data as reported by the counties on the "Reasons for Denial" and "Reason's for Discontinuance" forms. Monthly totals were summed then divided by 12 to derive the average monthly figures.

ACF-202 TANF Caseload Reduction Report

State of California

Fiscal Year 2004

PART IV -- Certification

I certify that we have provided the public an appropriate opportunity to comment on the estimates and methodology used to complete this report and considered those comments in completing it. Further, I certify that this report incorporates all reductions in the caseload resulting from State eligibility changes and changes in Federal requirements since Fiscal Year 1995.

(signature)

Gloria Merk
(name)

DEPUTY DIRECTOR
(title)

ACF 202 - FFY 2004
Attachment A
Fleeing Felons

	Drug Felons	Fleeing Felons	Parole Violators	FFY 2003 CalWorks Felon Caseload	Ratio of caseload with No Aided Children	Estimated Caseload Terminated Due to Felon Status
Oct-02	211	267	17	495	0.57%	2.82
Nov-02	190	232	9	431	0.57%	2.46
Dec-02	170	214	13	397	0.57%	2.26
Jan-03	204	242	13	459	0.57%	2.62
Feb-03	206	278	13	497	0.57%	2.83
Mar-03	169	234	14	417	0.57%	2.38
Apr-03	204	246	7	457	0.57%	2.60
May-03	198	229	21	448	0.57%	2.55
Jun-03	212	224	14	450	0.57%	2.57
Jul-03	360	305	6	671	0.57%	3.82
Aug-03	150	251	11	412	0.57%	2.35
Sep-03	207	247	13	467	0.57%	2.66
Total	2,481	2,969	151	5,601		32
Average	207	247	13	467		-3

Total FFY 2002 Caseload	512,889
Cases with no aided Child	2,931
Ratio of cases with no aided child	0.57%

We used the line items in the section investigations requested from the fraud report to produce this statistic. The total for each month was summed. We then divided the cases with no aided children by the total CalWorks caseload to get the ratio of cases

ACF 202 - FFY 2004
Attachment B
Vehicle Valuation Rule

		100.00%	96.58%	91.96%	86.03%	80.11%	75.23%	70.93%	67.43%	64.23%	61.58%	59.23%	56.95%	54.36%	51.90%	50.30%	48.73%
Vehicle Eligible Cases	Date	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02
187	Jun-01	187	181	172	161	150	141	133	126	120	115	111	106	102	97	94	91
187	Jul-01		187	181	172	161	150	141	133	126	120	115	111	106	102	97	94
187	Aug-01			187	181	172	161	150	141	133	126	120	115	111	106	102	97
187	Sep-01				187	181	172	161	150	141	133	126	120	115	111	106	102
205	Oct-01					205	198	189	176	164	154	145	138	132	126	121	117
205	Nov-01						205	198	189	176	164	154	145	138	132	126	121
205	Dec-01							205	198	189	176	164	154	145	138	132	126
205	Jan-02								205	198	189	176	164	154	145	138	132
205	Feb-02									205	198	189	176	164	154	145	138
205	Mar-02										205	198	189	176	164	154	145
205	Apr-02											205	198	189	176	164	154
205	May-02												205	198	189	176	164
205	Jun-02													205	198	189	176
205	Jul-02														205	198	189
205	Aug-02															205	198
205	Sep-02																205
195	Oct-02																
195	Nov-02																
195	Dec-02																
195	Jan-03																
195	Feb-03																
195	Mar-03																
195	Apr-03																
195	May-03																
195	Jun-03																
195	Jul-03																
195	Aug-03																
195	Sep-03																
	Total	187	368	540	701	869	1,027	1,177	1,318	1,452	1,580	1,703	1,821	1,935	2,043	2,147	2,249

ACF 202 - FFY 2004
Attachment B
Vehicle Valuation Rule

		47.30%	45.90%	44.55%	40.28%	36.23%	32.07%	28.07%	24.14%					
Vehicle Eligible Cases	Date	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Average
187	Jun-01	88	86	83	75	68	60	53	45	0	0	0	0	
187	Jul-01	91	88	86	83	75	68	60	53	45	0	0	0	
187	Aug-01	94	91	88	86	83	75	68	60	53	45	0	0	
187	Sep-01	97	94	91	88	86	83	75	68	60	53	45	0	
205	Oct-01	111	106	103	100	97	94	91	83	74	66	58	49	
205	Nov-01	117	111	106	103	100	97	94	91	83	74	66	58	
205	Dec-01	121	117	111	106	103	100	97	94	91	83	74	66	
205	Jan-02	126	121	117	111	106	103	100	97	94	91	83	74	
205	Feb-02	132	126	121	117	111	106	103	100	97	94	91	83	
205	Mar-02	138	132	126	121	117	111	106	103	100	97	94	91	
205	Apr-02	145	138	132	126	121	117	111	106	103	100	97	94	
205	May-02	154	145	138	132	126	121	117	111	106	103	100	97	
205	Jun-02	164	154	145	138	132	126	121	117	111	106	103	100	
205	Jul-02	176	164	154	145	138	132	126	121	117	111	106	103	
205	Aug-02	189	176	164	154	145	138	132	126	121	117	111	106	
205	Sep-02	198	189	176	164	154	145	138	132	126	121	117	111	
195	Oct-02	195	188	179	168	156	147	138	131	125	120	115	111	
195	Nov-02		195	188	179	168	156	147	138	131	125	120	115	
195	Dec-02			195	188	179	168	156	147	138	131	125	120	
195	Jan-03				195	188	179	168	156	147	138	131	125	
195	Feb-03					195	188	179	168	156	147	138	131	
195	Mar-03						195	188	179	168	156	147	138	
195	Apr-03							195	188	179	168	156	147	
195	May-03								195	188	179	168	156	
195	Jun-03									195	188	179	168	
195	Jul-03										195	188	179	
195	Aug-03											195	188	
195	Sep-03												195	
	Total	2,336	2,421	2,503	2,579	2,648	2,709	2,763	2,809	2,808	2,808	2,807	2,805	2,666

Attachment C

Income Disregards and MAP COLA

2 Parent Ineligibles from FFY 2002 CalWORKs Survey Data	4,504
Single Parent Ineligibles from FFY 2002 CalWORKs Survey Data	20,475
Total Families	24,978
Total Surveyed Caseload from FFY 2002 CalWORKs Data	512,889
Ratio of Ineligible Survey Cases from FFY 2002 CalWORKs Data	4.87%

FFY 2003 CalWORKs Caseload	497,559
Ineligible Ratio From FFY 2002 CalWORKs Characteristics Data	4.87%
Estimated FFY 2003 Ineligibles	24,232

[illegible]

Attachment D
Comparison of Income Disregard System

AFDC Disregard System	
Gross Earnings	1221
\$90 Work Disregard	-90
	1131
\$30 Disregard	-30
	1101
1/3 Disregard	-367
Net Non-Exempt Earnings	734

CalWORKs Disregard System	
Gross Earnings	1583
\$225 Disregard	-225
	1358
50 Percent Disregard	-679
Net Non-Exempt Earnings	679

Family of Three

MBSAC	734
Net Non-Exempt Earnings	734
AFDC Grant	0

Family of Three

MAP	679
Net Non-Exempt Earnings	679
CalWORKs Grant	0

Definitions

MBSAC = Minimum Standard of Adequate Care

MAP = Maximum Aid Payment

AFDC = Aid for Families with Dependent Children program

CalWORKs = California Work Opportunity and Responsibility to Kids program

MAP & MBSAC Levels

August 22, 1996 levels for a family of three:

MAP = \$565

MBSAC = \$734

October 2002 levels for a family of three:

MAP = 679

Conclusion:

In California prior to the implementation of the new income disregard and MAP COLAs, a family of three would be ineligible for a cash grant at the earnings level of \$1,221. With the CalWORKs income disregards and MAP COLAs, a family of three becomes ineligible for a cash grant at the earnings level of \$1,583. To measure this impact on the CalWORKs caseload, we applied the AFDC income disregards and MAP/MBSAC levels to the surveyed cases in the **FFY 2002** CalWORKs Characteristics Survey. Based on the results we estimate the impact of the CalWORKs disregards and MAP COLAs to be **+24,232** cases.

**ACF 202 - FFY 2004
Attachment E
Tribal TANF**

	Caseload	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Total
Southern California Tribal Chairmen's Association	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-1,272
Torres Martinez Tribal TANF (Riverside , San Bernardino County)	-115	-115	-115	-115	-115	-115	-115	-115	-115	-115	-115	-115	-115	-1,380
Owens Valley Career Development Center (Inyo County)	-166	-166	-166	-166	-166	-166	-166	-166	-166	-166	-166	-166	-166	-1,992

<u>Total</u>	<u>-4,644</u>
<u>Monthly avg.</u>	<u>-387</u>

ACF 202 - FFY 2004
Attachment F
Caseload Reduction Credit

	2 Parent	Zero Parent	All Others	Time out	Safety Net	CalWorks Subtotal	CalWorks EA Foster Care	EA GA CWS	Kin Gap	Total	FFY 1995 Caseload	Caseload Decline	Caseload Reduction Credit
Oct-02	46,746	156,732	247,573	30,224	0	481,275	4,146	25	9,290	494,736			
Nov-02	47,618	156,272	248,213	31,241	0	483,344	3,120	10	9,562	496,036			
Dec-02	47,199	157,872	245,499	31,501	0	482,071	3,258	50	9,575	494,954			
Jan-03	43,734	160,764	215,861	54,678	5,573	480,610	3,147	34	9,455	493,246			
Feb-03	43,573	161,166	214,896	53,365	7,944	480,944	3,172	43	9,665	493,824			
Mar-03	41,731	161,573	212,515	50,067	12,716	478,602	3,557	50	9,828	492,037			
Apr-03	41,983	162,050	212,190	49,417	15,299	480,939	3,661	48	10,213	494,861			
May-03	41,609	161,846	211,309	48,792	17,319	480,875	3,944	48	10,881	495,748			
Jun-03	40,816	161,975	209,218	47,285	18,933	478,227	3,618	43	11,993	493,881			
Jul-03	40,099	161,022	208,552	44,896	19,711	474,280	4,089	43	11,547	489,959			
Aug-03	49,012	158,149	254,281	29,486	19,711	510,639	3,963	37	12,068	526,707			
Sep-03	43,511	160,127	222,583	42,814	19,711	488,745	3,500	51	12,428	504,724			
Total	527,631	1,919,548	2,702,690	513,766	136,917	5,800,551	43,175	482	126,505	5,970,713			
12 Month Average										497,559	919,471	421,912	45.9%

Data for foster care comes from CA 800 EA

Data for Kin GAP comes from Kin Gap expenditure report

The 2 parent, zero parent and all others came from the ca 237 report line 8a.

The EA GA CWS data comes from DFA 881- EA general assistance CWS report